
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): September 22, 2023

HF SINCLAIR CORPORATION
(Exact name of Registrant as specified in its charter)

Delaware
(State or Other Jurisdiction
of Incorporation)

001-41325
(Commission
File Number)

87-2092143
(IRS Employer
Identification No.)

2828 N. Harwood, Suite 1300
Dallas, Texas
(Address of Principal Executive Offices)

75201
(Zip Code)

(214) 871-3555
(Registrant's Telephone Number, Including Area Code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock \$0.01 par value	DINO	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events.

This Current Report on Form 8-K (“Current Report”) is being filed by HF Sinclair Corporation (“HF Sinclair” or the “Company”), for the purpose of incorporating by reference the exhibits filed herewith into the Company’s registration statements.

As previously disclosed, on March 14, 2022 (the “Sinclair Closing Date”), HollyFrontier Corporation (“Holly Frontier”) and Holly Energy Partners, L.P. (“HEP”) announced the establishment of HF Sinclair as the new parent holding company of HollyFrontier and HEP and their subsidiaries, and the completion of their respective acquisitions of Sinclair Oil Corporation (now known as Sinclair Oil LLC, “Sinclair Oil”) and Sinclair Transportation Company LLC from The Sinclair Companies (now known as REH Company). On the Sinclair Closing Date, HF Sinclair completed its previously announced acquisition of Sinclair Oil by effecting (a) a holding company merger with HollyFrontier surviving such merger as a direct wholly owned subsidiary of HF Sinclair (the “HFC Merger”) and (b) immediately following the HFC Merger, a contribution whereby REH Company contributed all of the equity interests of Hippo Holding LLC (now known as Sinclair Holding LLC), the parent company of Sinclair Oil (the “Target Company”) to HF Sinclair in exchange for shares of HF Sinclair, resulting in the Target Company becoming a direct wholly owned subsidiary of HF Sinclair.

This Current Report includes the unaudited pro forma condensed combined statement of operations of HF Sinclair for the twelve months ended December 31, 2022, and the notes related thereto, which are filed as Exhibit 99.1 to this Current Report and are incorporated by reference herein.

Additional Information and Where You Can Find It

This report does not constitute a solicitation of any vote or approval with respect to the proposed merger contemplated by that certain Agreement and Plan of Merger, dated August 15, 2023, by and between HF Sinclair, HEP, Navajo Pipeline Co., L.P., Holly Apple Holdings LLC (“Merger Sub”), HEP Logistics Holdings, L.P. and Holly Logistic Services, L.L.C., pursuant to which Merger Sub will merge with and into HEP, with HEP surviving as an indirect, wholly owned subsidiary of HF Sinclair (the “Proposed Transaction”). In connection with the Proposed Transaction, HF Sinclair and HEP expect to file relevant materials with the Securities and Exchange Commission (“SEC”), including a registration statement on Form S-4 filed by HF Sinclair that will include a joint proxy statement of HF Sinclair and HEP that also constitutes a prospectus of HF Sinclair. INVESTORS AND SECURITYHOLDERS OF HF SINCLAIR AND HEP ARE ADVISED TO CAREFULLY READ THE REGISTRATION STATEMENT, THE JOINT PROXY STATEMENT/PROSPECTUS, AND ANY OTHER DOCUMENTS THAT HAVE BEEN FILED OR MAY BE FILED WITH THE SEC (INCLUDING ALL AMENDMENTS AND SUPPLEMENTS THERETO) IF AND WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE PROPOSED TRANSACTION, THE PARTIES TO THE PROPOSED TRANSACTION AND THE RISKS ASSOCIATED WITH THE PROPOSED TRANSACTION. The registration statement and joint proxy statement/prospectus, when available, will be sent to securityholders of HF Sinclair and HEP relating to the Proposed Transaction. Investors and securityholders may obtain a free copy of such documents and other relevant documents (if and when available) filed by HF Sinclair or HEP with the SEC from the SEC’s website at www.sec.gov. Securityholders and other interested parties will also be able to obtain, without charge, a copy of such documents and other relevant documents (if and when available) from HF Sinclair’s website at www.hfsinclair.com under the Investor Relations page or from HEP’s website at www.hollyenergy.com on the Investors page.

No Offer or Solicitation

This communication shall not constitute an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended.

Participants in the Solicitation

HF Sinclair, HEP and their respective directors, executive officers and certain other members of management may be deemed to be participants in the solicitation of proxies in respect of the Proposed Transaction. Information about these persons is set forth in HF Sinclair’s proxy statement relating to its 2023 Annual Meeting of Stockholders, which was filed with the SEC on April 6, 2023; HF Sinclair’s Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 28, 2023; HEP Annual Report on Form 10-K for the year ended December 31, 2022, which was filed with the SEC on February 28, 2023, and subsequent statements of changes in beneficial ownership on file with the SEC. Securityholders and investors may obtain additional information regarding the interests of such persons, which may be different than those of the respective companies’ securityholders generally, by reading the registration statement and proxy statement/prospectus and other relevant documents regarding the Proposed Transaction (if and when available), which will be filed with the SEC.

Cautionary Statement Regarding Forward-Looking Statements

The statements in this Current Report on Form 8-K relating to matters that are not historical facts are “forward-looking statements” based on management’s beliefs and assumptions using currently available information and expectations as of the date hereof, are not guarantees of future performance and involve certain risks and uncertainties, including those contained in HF Sinclair’s and HEP’s filings with the SEC. Forward-looking statements use words such as “anticipate,” “project,” “will,” “expect,” “plan,” “goal,” “forecast,” “strategy,” “intend,” “should,” “would,” “could,” “believe,” “may,” and similar expressions and statements regarding HF Sinclair’s and HEP’s plans and objectives for future operations or the Proposed Transaction. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that HF Sinclair’s and HEP’s expectations will prove correct. Therefore, actual outcomes and results could materially differ from what is expressed, implied or forecast in such statements. Any differences could be caused by a number of factors, including, but not limited to, the ability of HF Sinclair or HEP to consummate the Proposed Transaction; the risk that the Proposed Transaction does not occur; negative effects from the pendency of the Proposed Transaction; failure to obtain the required approvals for the Proposed Transaction; the time required to consummate the Proposed Transaction; the focus of management time and attention on the Proposed Transaction and other disruptions arising from the Proposed Transaction; the ability of the HF Sinclair to achieve the expected earnings per share and cash flow accretion and other expected benefits from the Proposed Transaction; legal proceedings that may be instituted against HF Sinclair or HEP in connection with the Proposed Transaction; limitations on HF Sinclair’s ability to effectuate share repurchases due to market conditions and corporate, tax, regulatory and other considerations; HF Sinclair’s and HEP’s ability to

successfully integrate the Sinclair Oil Corporation (now known as Sinclair Oil LLC) and Sinclair Transportation Company LLC businesses acquired from The Sinclair Companies (now known as REH Company) (collectively, the “Sinclair Transactions”) with their existing operations and fully realize the expected synergies of the Sinclair Transactions or on the expected timeline; HF Sinclair’s ability to successfully integrate the operation of the Puget Sound refinery with its existing operations; the demand for and supply of crude oil and refined products, including uncertainty regarding the increasing societal expectations that companies address climate change; risks and uncertainties with respect to the actions of actual or potential competitive suppliers and transporters of refined petroleum products or lubricant and specialty products in HF Sinclair’s markets; the spread between market prices for refined products and market prices for crude oil; the possibility of constraints on the transportation of refined products or lubricant and specialty products; the possibility of inefficiencies, curtailments or shutdowns in refinery operations or pipelines, whether due to reductions in demand, accidents, unexpected leaks or spills, unscheduled shutdowns, infection in the workforce, weather events, global health events, civil unrest, expropriation of assets, and other economic, diplomatic, legislative, or political events or developments, terrorism, cyberattacks, or other catastrophes or disruptions affecting HF Sinclair’s and/or HEP’s operations, production facilities, machinery, pipelines and other logistics assets, equipment, or information systems, or any of the foregoing of HF Sinclair’s and/or HEP’s suppliers, customers, or third-party providers, and any potential asset impairments resulting from, or the failure to have adequate insurance coverage for or receive insurance recoveries from, such actions; the effects of current and/or future governmental and environmental regulations and policies, including increases in interest rates; the availability and cost of financing to HF Sinclair; the effectiveness of HF Sinclair’s capital investments and marketing strategies; HF Sinclair’s and HEP’s efficiency in carrying out and consummating construction projects, including HF Sinclair’s ability to complete announced capital projects on time and within capital guidance; HF Sinclair’s and HEP’s ability to timely obtain or maintain permits, including those necessary for operations or capital projects; the ability of HF Sinclair to acquire refined or lubricant product operations or pipeline and terminal operations on acceptable terms and to integrate any existing or future acquired operations; the possibility of terrorist or cyberattacks and the consequences of any such attacks; uncertainty regarding the effects and duration of global hostilities, including the Russia-Ukraine war, and any associated military campaigns which may disrupt crude oil supplies and markets for HF Sinclair’s refined products and create instability in the financial markets that could restrict HF Sinclair’s ability to raise capital; general economic conditions, including economic slowdowns caused by a local or national recession or other adverse economic condition, such as periods of increased or prolonged inflation; and other financial, operational and legal risks and uncertainties detailed from time to time in HF Sinclair’s and HEP’s SEC filings, and those risks that will be described in the registration statement on Form S-4 and accompanying prospectus available from the sources indicated below, whether or not related to the Proposed Transaction. These risks, as well as other risks associated with the Proposed Transaction, will be more fully discussed in the proxy statement/prospectus that will be included in the registration statement on Form S-4 that will be filed with the SEC in connection with the Proposed Transaction. The forward-looking statements speak only as of the date made and, other than as required by law, we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Pro Forma Financial Information.
104	Cover Page Interactive Data File (embedded within the Inline XBRL).

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

HF SINCLAIR CORPORATION

Date: September 22, 2023

By: /s/ Atanas H. Atanasov
Name: Atanas H. Atanasov
Title: Executive Vice President and
Chief Financial Officer

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

On August 2, 2021, HollyFrontier Corporation (“HFC”), Hippo Parent Corporation, a wholly-owned subsidiary of HFC (“New Parent” or, following the consummation of the HFC Transactions (as defined below), HF Sinclair Corporation, or “HF Sinclair”), Hippo Merger Sub, Inc., a wholly-owned subsidiary of New Parent (“Parent Merger Sub”), REH Company (formerly known as The Sinclair Companies, and referred to herein as “REH Company”), and Sinclair Holding LLC (formerly known as Hippo Holding, LLC), a wholly-owned subsidiary of REH Company (the “Target Company”), entered into a business combination agreement (as amended on March 14, 2022, the “BCA”).

On March 14, 2022 (the “HFC Closing Date”), pursuant to the BCA, HF Sinclair completed its acquisition of the Target Company by effecting (a) a holding company merger in accordance with Section 251(g) of the Delaware General Corporation Law whereby HFC merged with and into Parent Merger Sub, with HFC surviving such merger as a direct wholly-owned subsidiary of HF Sinclair (the “HFC Merger”), and (b) immediately following the HFC Merger, a contribution whereby REH Company contributed all of the equity interests of the Target Company to HF Sinclair in exchange for shares of HF Sinclair, resulting in the Target Company becoming a direct wholly-owned subsidiary of HF Sinclair (collectively, the “HFC Transactions”).

In connection with the closing of the HFC Transactions, HF Sinclair issued 60,230,036 shares of HF Sinclair common stock, par value \$0.01 per share (“HF Sinclair Common Stock”), to REH Company, with a value of approximately \$2,149 million based on HFC’s fully diluted shares of common stock outstanding and its closing stock price on March 11, 2022. On the HFC Closing Date, REH Company made a \$77.5 million cash payment to HF Sinclair, inclusive of final working capital adjustments, which reduced the aggregate transaction value to approximately \$2,072 million. At the effective time of the HFC Merger, HFC became a wholly-owned subsidiary of HF Sinclair, and all of HFC’s outstanding shares were automatically converted into equivalent corresponding shares of HF Sinclair. Pursuant to the HFC Merger, HF Sinclair became the successor issuer to HFC pursuant to Rule 12g-3(a) under the Securities and Exchange Act of 1934, as amended, and replaced HFC as the public company trading on the New York Stock Exchange under the symbol “DINO.”

Additionally, on March 14, 2022 (the “HEP Closing Date”), Holly Energy Partners, L.P. (“HEP”), REH Company, and Sinclair Transportation Company, a wholly-owned subsidiary of REH Company (“STC”), completed the previously announced transaction whereby HEP acquired all of the outstanding shares of STC in exchange for 21,000,000 newly issued common limited partner units of HEP (“Common Units”) with a value of approximately \$349 million based on HEP’s fully diluted Common Units outstanding and HEP’s closing unit price on March 11, 2022, plus cash consideration equal to \$329 million, inclusive of final working capital adjustments pursuant to the contribution agreement dated August 2, 2021, for an aggregate transaction value of \$678 million (the “HEP Transaction,” and together with the HFC Transactions, the “Sinclair Transactions”). The cash consideration was funded through a draw under HEP’s senior secured revolving credit facility.

The HEP Transaction immediately preceded the HFC Transactions and the transactions were cross-conditioned on each other. For purposes of the unaudited pro forma condensed combined statement of operations and related footnotes (the “Pro Forma Statement of Operations”), the target entities in the HFC Transactions and HEP Transaction, the Target Company and STC, respectively, are referred to collectively as “Hippo Holding, LLC and Sinclair Transportation Company and their Subsidiaries” or “H&T.”

The Pro Forma Statement of Operations has been prepared in accordance with Article 11 of Regulation S-X, *Pro Forma Financial Information*, which is herein referred to as Article 11. The Pro Forma Statement of Operations presents the combination of the financial information and the pro forma effects with respect to the Sinclair Transactions, further details of which are included within the footnotes to the Pro Forma Statement of Operations.

The Pro Forma Statement of Operations is presented for informational purposes only and is not necessarily indicative of the results of operations that would have occurred had the events been consummated as of the dates indicated, nor is it indicative of any future results. The information presented in the Pro Forma Statement of Operations does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the Sinclair Transactions.

The Sinclair Transactions are accounted for using the acquisition method of accounting with HF Sinclair identified as the accounting acquirer. Under the acquisition method of accounting, HF Sinclair recorded the assets acquired and liabilities assumed at their respective acquisition date fair values.

The Pro Forma Statement of Operations has been prepared from the respective historical consolidated financial statements of HF Sinclair and H&T, adjusted to give effect to the Sinclair Transactions. The unaudited Pro Forma Condensed Combined Statement of Operations for the twelve months ended December 31, 2022 combines the historical consolidated statements of operations of HF Sinclair (which includes the historical results of operations of H&T from the HFC Closing Date through December 31, 2022) and H&T (which includes the historical results of operations from January 1, 2022 through March 13, 2022), giving effect to the Sinclair Transactions as if they had been consummated on January 1, 2021. The Pro Forma Statement of Operations contains certain reclassification adjustments to conform the historical H&T financial statement presentation to HF Sinclair’s financial statement presentation.

A pro forma balance sheet has not been included for the twelve months ended December 31, 2022 as the Sinclair Transactions were completed on March 14, 2022. Therefore, the consolidated balance sheet of HF Sinclair Corporation included in its Annual Report on Form 10-K for the twelve months ended December 31, 2022 are already reflective of the consolidated financial position of HF Sinclair and H&T, without the need for reclassification or pro forma adjustments.

The Pro Forma Statement of Operations is intended to provide information about the continuing impact of the Sinclair Transactions as if they had been consummated as of an earlier date. The transaction accounting adjustments are based on available information and certain assumptions that management believes are factually supportable as of the closing date of the Sinclair Transactions. In the opinion of management, all adjustments necessary to present fairly the Pro Forma Statement of Operations have been made.

HF Sinclair incurred certain non-recurring charges in connection with the Sinclair Transactions, the substantial majority of which consist of transaction costs related to financial advisors, legal advisors, financial advisory and professional accounting services. Charges that were incurred during the twelve months ended December 31, 2022 are included in the HF Sinclair consolidated statement of operations for the period ended December 31, 2022. However, should there be additional charges related to other integration activities resulting from the Sinclair Transactions, the timing, nature, and amount of which HF Sinclair's management could not identify as of December 31, 2022, such charges are not reflected in the Pro Forma Statement of Operations.

The final purchase consideration paid in HF Sinclair Common Stock and HEP Common Units was determined based on the closing prices of HFC common stock and HEP's Common Units on March 11, 2022. The final determination of the fair values of the assets and liabilities of H&T was based on the actual net tangible and intangible assets and liabilities of H&T that existed as of the closing date of the Sinclair Transactions.

As a result of the foregoing, the transaction accounting adjustments have been made solely for the purpose of providing the Pro Forma Statement of Operations presented herein; and are described in the notes accompanying¹ the Pro Forma Statement of Operations.

The Pro Forma Statement of Operations should be read in conjunction with:

- the audited consolidated financial statements contained in HF Sinclair's Annual Report on Form 10-K for the year ended December 31, 2022 and the unaudited consolidated financial statements contained in HF Sinclair's Quarterly Reports on Form 10-Q for the three months ended March 31, 2023 and the six months ended June 30, 2023; and
- the audited combined consolidated financial statements of H&T and its subsidiaries comprised of the combined consolidated balance sheets as of December 31, 2021 and 2020, and the related combined consolidated statements of income, changes of stockholder's equity, and cash flows for the years ended December 31, 2021 and 2020, which are included as an exhibit to HF Sinclair's Current Report on Form 8-K filed on March 14, 2022 (as amended on March 16, 2022).

¹ For additional information, see Note 2 "Acquisitions" and Note 5 in the Notes to the Consolidated Financial Statements (Unaudited) contained in HF Sinclair's Quarterly Report on Form 10-Q for the six months ended June 30, 2023.

HF SINCLAIR CORPORATION
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
Twelve Months Ended December 31, 2022

	Historical		Transaction Accounting Adjustments			HF Sinclair Corporation Pro Forma Combined
	HF Sinclair Corporation	Hippo Holding LLC and Sinclair Transportation Company and their Subsidiaries	Reclass Adjustments – Note 2	Pro Forma Adjustments – Note 3		
			(in thousands, except per share data)			
Sales and other revenues	\$38,204,839	\$ 1,329,704	\$ 7,797	\$ (310,935)	(a)	\$39,231,405
Operating costs and expenses:						
Cost of products sold (exclusive of depreciation and amortization)						
Cost of products sold (exclusive of lower of cost or market inventory valuation adjustment)	30,680,013	1,374,201	(71,810)	(310,935)	(a)	31,671,469
Lower of cost or market inventory valuation adjustment	52,412	—	—	—		52,412
	30,732,425	1,374,201	(71,810)	(310,935)		31,723,881
Operating expenses (exclusive of depreciation and amortization)	2,334,893	—	80,251	—		2,415,144
Selling, general and administrative expenses (exclusive of depreciation and amortization)	426,485	31,674	(611)	—		457,548
Depreciation and amortization	656,787	39,040	(33)	(26,812)	(b)	668,982
Total operating costs and expenses	34,150,590	1,444,915	7,797	(337,747)		35,265,555
Income (loss) from operations	4,054,249	(115,211)	—	26,812		3,965,850
Other income (expense):						
Earnings of equity method investments	(260)	2,115	—	(752)	(c)	1,103
Interest income	30,179	—	4	—		30,183
Interest expense	(175,628)	—	(10)	(1,564)	(d)	(177,202)
Gain on business interruption insurance settlement	15,202	—	—	—		15,202
Gain (loss) on early extinguishment of debt	604	—	—	—		604
Gain (loss) on foreign currency transactions	(1,637)	—	—	—		(1,637)
Gain on sale of assets and other	13,337	6,149	6	—		19,492
	(118,203)	8,264	—	(2,316)		(112,255)
Income (loss) before income taxes	3,936,046	(106,947)	—	24,496		3,853,595
Income tax expense (benefit):	894,872	—	—	(19,145)	(e)	875,727
Net income (loss)	3,041,174	(106,947)	—	43,641		2,977,868
Less net income attributable to noncontrolling interest	118,506	—	—	3,613	(c)(e)(f)	122,119
Net income (loss) attributable to HF Sinclair stockholders	\$ 2,922,668	\$ (106,947)	\$ —	\$ 40,028		\$ 2,855,749
Earnings per share:						
Basic	\$ 14.28					\$ 13.18
Diluted	\$ 14.28					\$ 13.18
Average number of common shares outstanding:						
Basic	202,566			11,881	(g)	214,447
Diluted	202,566			11,881	(g)	214,447

See accompanying “Notes to Unaudited Pro Forma Condensed Combined Statement of Operations”

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

NOTE 1 — BASIS OF PRESENTATION

The HF Sinclair and H&T historical financial information has been derived from HF Sinclair's audited annual financial statements included on the Annual Report on Form 10-K for the year ended December 31, 2022, and the historical unaudited financial information of H&T from January 1, 2022 to the HFC Closing Date. Certain of H&T's historical amounts have been reclassified to conform to HF Sinclair's financial statement presentation, as discussed further in Note 2. The Pro Forma Statement of Operations should be read in conjunction with each company's historical financial statements and the notes thereto. The Pro Forma Statement of Operations for the twelve months ended December 31, 2022 gives effect to the Sinclair Transactions as if they had been completed on January 1, 2021. In the opinion of HF Sinclair's management, all material adjustments have been made that are necessary to present fairly the Pro Forma Statement of Operations in accordance with Article 11. HF Sinclair management has elected not to present management's adjustments and has only presented transaction accounting adjustments in the Pro Forma Statement of Operations.

The Pro Forma Statement of Operations does not purport to be indicative of the results of operations of the combined company that would have occurred if the Sinclair Transactions had occurred on the dates indicated, nor is it indicative of HF Sinclair's future results of operations. In addition, future results may differ significantly from those reflected in the Pro Forma Statement of Operations.

NOTE 2 — RECLASSIFICATION ADJUSTMENTS

The Pro Forma Statement of Operations has been adjusted as follows to reflect reclassifications of H&T's historical financial statements to conform to HF Sinclair's financial statement presentation.

Pro Forma Statement of Operations for the twelve months ended December 31, 2022

- Reclassification of \$7.8 million from *Cost of products (exclusive of lower of cost or market inventory valuation adjustment)* to *Sales and other revenues*;
- Reclassification of \$71.8 million from *Cost of products sold (exclusive of lower of cost or market inventory valuation adjustment)* and \$0.6 million from *Selling, general and administrative expense* to *Operating expenses (exclusive of depreciation and amortization)*; and
- Reclassification of approximately \$0.01 million from *Gain on sale of assets* to *Interest Income* and *Interest expense*, respectively.

NOTE 3 — PRO FORMA ADJUSTMENTS

The Pro Forma Statement of Operations for the twelve months ended December 31, 2022 reflects the following adjustments:

Pro Forma Statement of Operations for the twelve months ended December 31, 2022

- (a) Reflects the elimination of \$310.9 million for historical HF Sinclair and H&T amounts recorded within *Sales and other revenues* and *Cost of products sold (exclusive of lower of cost or market inventory valuation adjustment)* for the period January 1, 2022 to March 13, 2022.
- (b) Reflects the pro forma adjustment to *Depreciation and amortization* for \$26.8 million related to depreciation expense for the properties and equipment acquired based on the final fair value, valued as of March 14, 2022, on a straight-line basis assuming an estimated 20.45 year weighted average useful life of the assets acquired.
- (c) Reflects the pro forma adjustment related to the acquisition by HEP of STC's 25.0% ownership in UNEV Pipeline, LLC, which is reflected as an elimination from H&T's historical *Equity in income of affiliates* and an elimination from HF Sinclair's historical *Net income attributable to noncontrolling interest*. For the period ended March 13, 2022, STC's historical *Equity in income of affiliates* was \$0.75 million and HF Sinclair's historical *Net income attributable to noncontrolling interest* was \$1.1 million. The differences relate to historical amortization expense recorded by STC for the three months ended March 31, 2022.
- (d) Reflects the pro forma adjustment to *Interest expense* for an increase of \$1.6 million for the three months ended March 31, 2022, related to the \$321.0 million of borrowings on the HEP senior secured revolving credit facility based on an effective interest rate of 2.5% per annum.

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- (e) Reflects the pro forma income tax adjustments based upon a statutory federal and blended state tax rate of 23.2% for the period ended March 13, 2022, which include:
- Income tax benefit of \$19.1 million related to the historical activity of REH Company, which historically did not have any tax implications given that REH Company was an S-Corporation; and
 - An adjustment to *Net income attributable to noncontrolling interest* to reflect the portion of income tax expense allocated to noncontrolling interest (“NCI”) of approximately \$0.01 million.
- (f) Reflects NCI adjustments related to the following:
- A decrease of \$0.8 million to *Net income attributable to noncontrolling interest* to reflect the allocation of pro forma interest expense related to the HEP senior secured revolving credit facility;
 - A decrease of \$1.4 million to *Net income attributable to noncontrolling interest* to reflect the allocation of pro forma depreciation expense related to the assets acquired in the HEP Transaction;
 - An increase of \$3.9 million to reflect the pro forma adjustments related to HEP historical net income for the period ended March 13, 2022, for the increase in the noncontrolling interest percentage in HEP from 43.4% to 52.8% given the HEP issuance of 21,000,000 Common Units to STC, assuming the HEP Transaction had occurred as of January 1, 2021;
 - An increase of \$3.0 million to *Net income attributable to noncontrolling interest* to reflect the portion of STC’s net income attributable to the NCI;
 - A decrease of \$1.1 million to *Net income attributable to noncontrolling interest* to reflect the elimination of H&T’s historical net income attributable to UNEV Pipeline, LLC; and
- (g) The pro forma adjustment to the *Average number of common shares outstanding* related to the issuance of 60,230,036 shares of HF Sinclair Common Stock to shareholders of H&T as part of the purchase consideration for the HFC Transactions.